METHOD AND APPARATUS FOR MAKING SECURE ELECTRONIC PAYMENTS

ABSTRACT

In accordance with the present invention, consumers and merchants use computing devices connected to a network, such as the Internet, through wired and wireless means,

5 wherein the consumer connects to a clearing server device to purchase or retrieve previously purchased token, the consumer then connects to the merchant's computer or website to attain price quotes of goods and services, selects the goods and/or services to be purchased, and then communicates a request for purchase to the merchant. The merchant then communicates a request for an update key to the clearing server. The update key is used as

10 an authorization to modify the value of the token. To debit the customer the decrement key is requested and to credit the customer an increment key is asked for. An overwrite key is another type of update key. Together with the overwrite key a replacement token is provided to the merchant who in turn forwards the new token to the customer. As an aspect of the invention, if the token was not previously used, the clearing server simply issues the update

15 key. If, however, it is determined that the token was used, the amount paid by the consumer to a previous merchant is determined the token adjusted and the overwrite key together with the new token is returned to the merchant. The merchant then forwards the purchased merchandise, the update key, and possibly a new token to the consumer.